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Hearing Date: September 19, 2008 at 4:00 p.m.

Attorneys for Hilliard Farber & Co., Inc.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	
In re:	:
	:
LEHMAN BROTHERS HOLDINGS INC.,	:
	:
Debtor.	:
-----X	

Chapter 11
Case No. 08-13555 (JMP)

**RESERVATION OF RIGHTS AND LIMITED OBJECTION
OF HILLIARD FARBER & CO., INC. TO DEBTORS' MOTION TO
APPROVE THE SALE OF THE PURCHASED ASSETS AND THE ASSUMPTION
AND ASSIGNMENT OF CONTRACTS RELATING TO THE PURCHASED ASSETS**

Hilliard Farber & Co., Inc. ("HFCI"), by and through its undersigned counsel, respectfully submits this limited objection (the "Limited Objection") to the proposed assumption and assignment by Lehman Brothers Holdings Inc. ("LBHI," and, together with its affiliated debtor and debtor in possession, the "Debtors") of one or more contracts with HFCI to a third party purchaser of certain of the Debtors' assets. HFCI respectfully states as follows:

1. On September 17, 2008, the Debtors filed a motion with the Bankruptcy Court (the "Sale Motion") seeking authority to sell certain of the Debtors' designated assets a third party. In connection with the Sale Motion, the Debtors have sought authority to assume and assign certain contracts to a proposed third-party purchaser. On September 19, 2008, HFCI received notice of the Sale Motion (the "Sale Notice"), which notice directed counter-parties to

contracts with the Debtors to consult an Internet website in order to determine: (a) whether the Debtors proposed to assume and assign such contracts to the proposed third-party purchaser, and (b) what cure amounts, if any, the Debtors proposed to pay in connection with such assumption and assignment.

2. Upon receipt of the Sale Notice, HFCI consulted the website referenced therein, and determined that the Debtors propose to assume and assign at least one contract between HFCI and the Debtors (the “Subject Contract”). The Debtors’ proposed cure payment in connection with the Subject Contract is \$215,000. The Debtors have not identified the Subject Contract by name, nor identified the specific Debtor entity that is party to the Subject Contract.

3. The Sale Notice directs any party that opposes the assumption and assignment of any contract either to file an objection prior to the commencement of the hearing to consider the Sale Motion or to appear and raise such objection at the hearing. HFCI does not object to the sale proposed in the Sale Motion. But in light of the unprecedented speed with which the transactions contemplated by the Sale Motion are being implemented, HFCI has not had sufficient time to review its books and records to determine whether the cure amount proposed to be paid by the Debtors is sufficient. Nor has HFCI had sufficient time to analyze the Subject Contract to determine whether it is an executory contract, or if it is assignable pursuant to the provisions of the Bankruptcy Code and applicable non-bankruptcy law.

4. Accordingly, although HFCI may accede to the assumption and assignment of the Subject Contract to the proposed purchaser, HFCI is filing this Limited Objection in order to reserve all rights with respect to the Subject Contract, including, but not limited to, requiring that the Debtors: (a) cure any defaults under the Subject Contract, and (b) comply with all other applicable provisions of section 365 of the Bankruptcy Code. HFCI

further reserves the right to argue that the Subject Contract is not an executory contract or is not otherwise capable of being assumed and/or assigned. HFCI also reserves the right to supplement this Limited Objection.

WHEREFORE, HFCI requests that the Court: (a) deny the Sale Motion or grant the relief requested therein only on terms consistent with this Limited Objection; and (b) award HFCI such other or further relief as is just and proper.

Dated: New York, New York
September 19, 2008

Respectfully submitted,

PATTERSON BELKNAP WEBB &
TYLER LLP

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